ILLINOIS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS CONDITIONS FOR ILLINOIS

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HIGHLIGHTS OF BUSINESS IN MAY

Industrial production moved up to another new high in May, with the seasonally adjusted index rising 2 points to 152 (1947-49 = 100). On an adjusted basis, steel, autos, paperboard, and a number of other products made output gains. Employment increased more than seasonally, reaching 66.0 million, and unemployment declined further to 3.4 million. A preliminary estimate placed department store sales at an adjusted 145 percent of the 1947-49 average, up 5 points from April.

Autos Doing Well

The automobile industry turned out almost 547,000 cars in May, 56.5 percent more than a year ago and the largest May production since 1955. Allowing for one less working day, output was about the same as in April.

Retail sales of new cars amounted to nearly 530,000 in May, up 5 percent from the preceding month and 35 percent from May, 1958. Dealers' stocks of new American cars were estimated at 910,000 by the end of the month. With "float" and inventories of foreign cars, the total was over a million. This represents about 50 days' supply at recent sales rates.

The High Cost of Money

The increase in the discount rate from 3 percent to 3½ percent near the end of May, the fourth since the low of 1¼ percent in effect last summer, reflected the continuing rise in the cost of money as well as the Federal Reserve System's growing concern over the volume of debt outstanding. Higher interest rates were evident throughout the economy.

The Treasury's short-term borrowing costs rose again during the month, its last May issue of 13-week bills being marketed at 2.878 percent. On May 18 leading commercial banks raised their "prime" rate from 4 percent to 4½ percent, and Treasury bonds reached record lows. Near the end of the month Consolidated Edison sold $75 million of 30-year bonds to an underwriting group on an interest cost basis of 5.105 percent, probably the most expensive borrowing on utility bonds of comparable quality in more than a quarter of a century.

New Highs in Building

Another seasonal rise in new construction put in place pushed outlays by this industry to $4.6 billion in May, 1 percent above April and 15 percent above May, 1958. This was a record for the month and brought expenditures in the first five months of 1959 to $19.7 billion, 13 percent above the comparable months of 1958 and a new high for the period.

With outlays in May for new nonfarm dwelling units at $1.4 billion, 41 percent over the year-earlier month, private construction reached $3.2 billion. Industrial building continued to fall far behind the rate of spending for this type of construction last year. Several other types, including office buildings and warehouses, hospital and institutional, farm construction, and public utilities, were down from year-earlier levels by smaller percentages.

A big increase in highway spending was the major factor in the rise in public construction to $1.4 billion. At this level public expenditures were about 15 percent above April and the corresponding period in 1958.

Business Sales, Stocks Up

After seasonal adjustment, sales of manufacturing and trade firms in April amounted to $60.5 billion, a rise of $1.4 billion from March and $8.5 billion from April, 1958. Manufacturers accounted for $1.1 billion of the increase, bringing their sales to $30.2 billion; sales of durable goods industries rose $700 million in the month to $15.1 billion. Wholesalers enjoyed a $300 million increase in business, most of it in nondurables, whereas retail trade showed no change from the $17.9 billion in March.

Inventories continued to rise, an increase of $900 million carrying the total to $87.3 billion. Stocks held by manufacturers amounted to $50.8 billion, $500 million more than at the end of March, with most of the increase in the durable goods industries. Wholesalers and retailers added small amounts to their inventories, raising them to $12.1 billion and $24.4 billion respectively.

Instalment Debt Balloons

April saw the largest increase in consumer instalment debt for any month since 1955. The seasonally adjusted addition amounted to $423 million and brought the total outstanding to $34.5 billion. Automobile paper accounted for about half of the increase; the total of this type stood at $14.7 billion, the first time it has equaled the year-earlier figure in many months. Other consumer goods paper was up $120 million; repair and modernization loans expanded by lesser amounts.

A rise in single-payment loans was responsible for the $56 million advance in noninstalment debt, a small decrease in charge accounts being offset by an equal increase in service credit. Total short- and intermediate-term debt of consumers rose to $44.9 billion.

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Design for Obsolescence

Modern ideas of stimulating demand through invention, improvement, and change have taken a curious twist towards building obsolescence into the design of widely used consumer durable goods. Advertisers and salesmen apparently prefer "newer" to "better" as a selling slogan, and the whole orientation of industry shifts towards giving them something new even though it may be inferior. The wrap-around windshields on recent-model autos are a prime example of a feature that combines expense and a half-dozen disadvantages without any significant gain in utility. This trend has gone so far that one consultant recently informed a congressional committee that ". . . sometimes it seems as though modern styling was created only to hinder both car and driver . . . when a styling feature vies with a practical feature, or a safety feature, styling usually wins."

The problem is not confined to styling or to the auto industry. Annual model changes for other consumer durable goods are widespread. An aviation executive recently described engineering for mass-produced consumer products as "quick and cheesy, cheap and dirty."

The High Cost of Repairs

Industrial design has concentrated on making products fastest, lightest, or at lowest cost, without regard to the fact that emphasis on these criteria may make for inordinate maintenance and repair costs. Final products are often made up of subassemblies welded, molded, or riveted in such a way that the individual parts cannot be replaced. Parts are often cheapened, moreover, by materials or processes which lower durability in use. Then the whole unit or subassembly must be replaced with the failure of the weakest part.

Here are several examples: (1) When a couple of teeth break out of a timing gear in a leading dishwasher, the gear, worth perhaps 50 cents, cannot be replaced except in an assembled housing at $16.75. (2) When a steel strap holding a TV aerial to a chimney breaks in a high wind, the repairman can only replace it with a kit of two, including unneeded brackets and bolts. (3) The handle on a fishing reel originally sold at $4.95 can be replaced only on special order at $1.75. The last is an extreme example of charging high prices for replacement parts because the only way for the consumer to salvage the residual value is by making the repair.

Complexity of design, lack of access, need for special tools and testing devices, and other difficulties often make repairs impossible except in a well-equipped shop. The consumer is not only forced to turn the work over to someone else but is urged to go only to an "authorized" shop. These shops often ape the hospitals in pretences of care and cleanliness, and the prices they charge are correspondingly blown up.

In the auto repair business, high prices have resulted in a shifting of routine repair work away from the car dealers. Filling stations and independent garages have been gaining an increasing share of the market at the expense of franchised dealers.

For other products, the consumer's situation is in some respects worse. The appliance manufacturers have been at pains to imitate the auto industry by taking the repair shops into their selling organizations. Converting the repairman into a salesman in this way has to some extent subverted the repair function. Many would rather sell than repair. They urge the customer to trade in his vacuum cleaner or washing machine on a new one rather than to repair the old model. The trade-in discounts offered are generally less than the customer could get at a discount house, and the old machine might well give as good service as a new one if it were repaired.

Quality or Competition

To the auto industry's credit, the system of repairs by new car dealers has not worked out too badly. The scale of operations in this instance is big enough and competition is well enough developed to give most consumers a reasonable choice of alternatives. Furthermore, the used car market is vigorous enough almost everywhere so that definite values can be placed on cars in use. None of these conditions hold for other appliances, however, and policies of accelerated obsolescence where there is no standard resale market merely put a "take it or leave it" choice before the consumer.

Consumers faced with this kind of choice search for other alternatives. They know their ideas of quality are reasonable. To practically all, quality means carefree use and the absence of failures, at least in the early years after a purchase is made. To many, it also means a product that can be serviced anywhere at reasonable cost and not one that has to be coddled into precarious operation in a clinic of repair specialists.

Failure to meet consumers' needs or standards of quality is an invitation to competition. In the auto industry it has reversed our traditional role as net exporter. Last year, imports far exceeded exports. The share of our market taken by foreign makes approached 10 percent — a figure twice as high as anyone in the industry thought likely just a couple of years ago. Moreover, a recent survey by the National Association of Automobile Dealers showed a good deal of buyer loyalty to the imported cars. Six out of seven import-owners believed their next purchase would be another imported car.

The problem faced by the auto industry may be encountered in more acute form by other industries. What happens after the consumer gets a product is likely to be more important as a determinant of its future sales than its style features or their ballyhoo accompaniment. The success of the TV producer who offered better quality in 1958 supports this thesis. Rewards may also go to others with farsighted policies that give the consumer a break with better quality and service. VLB

BOOK PUBLISHING

Book publishing in the United States dates back to 1638 when the Cambridge Press (later the Harvard University Press) was granted book-printing privileges by the British government. Until the mid-1800's, however, the principal sources of books for this country were foreign book houses, especially British firms. By 1880, the industry had become firmly established here; the number of new titles during that year exceeded 2,000, just slightly less than the entire 2,200 titles released during the first 200 years of book publishing in this country.

Since the beginning of the present century, the United States has moved into undisputed leadership in book production and has, in addition, become the world's largest exporter. This supremacy has been attributed to three major factors: (1) the technological improvements in printing and papermaking, (2) a rapidly expanding population benefiting from the introduction of a national public school system in the late 1800's, and (3) the refinement and application of mass marketing methods.

Book Field Today

Book publishing, although not as large as the other two major publishing areas (newspapers and magazines), received more than $1.5 billion from sales last year. As in the nineteenth century, the industry still consists of relatively small companies in a highly competitive field. The five leading establishments accounted for only 13 percent of the new titles released in 1957.

One of the characteristics common to the industry has been the low proportion of firms with printing plants. Many companies, especially the smaller ones, maintain only editorial-sales offices and farm out the actual printing work. The large quantity of contracting work is necessary because a majority of the companies cannot be assured of a volume sufficient to offset heavy plant expenditures and high overhead costs.

The industry's chief revenue producers are the trade (or general) books which made up about one-third of total sales last year. Other major book classifications and percentages of total receipts were textbooks (29 percent), encyclopedias and reference books (16 percent), technical and professional volumes (10 percent), and religious books, including Bibles and hymnals (6 percent).

Books reach the public today through more than 9,000 outlets, including 2,600 bookstores. Although the latter continue to handle a major share of the book traffic, they have felt keenly the competition from the diversity of newer outlets, such as drug stores and groceries.

Probably the most outstanding feature of the postwar industry has been the increased emphasis upon mass markets. This has been achieved by the sharp rise in the paperback trade, combined with the older, widespread distribution of the more than fifty book clubs. Actually, low-cost paperbound books are not new, but merely an adaptation of the paperbacks introduced in the United States about 1790. Today, these books appear to be cutting into the hard-cover market, as the number of original titles appearing in this form continues to increase. It is estimated that, in all, the paperbacks accounted for nearly two-fifths of all copies sold last year.

Trends and Problems

There has been a steady increase in the number of new book titles published during the postwar period, with a rise from 7,735 in 1946 to 13,142 in 1957; during the same interval, the number of volumes published jumped from 445 million to 825 million. Despite these increases, the total amount spent on books per person is declining, possibly because of the conflicts with other leisure-time pursuits, such as television.

Since 1946, the prices of most books have failed to rise as sharply as the costs of materials and labor because of the industry's fear of losing the volume market. Because this has reduced profit margins (especially in trade books), publishers have been turning to supplemental markets, such as motion pictures, book clubs, and royalties from reprint houses. But these newer markets are primarily interested in the "best sellers." Hence, the industry has tended to select only those works with mass sales potential, to the detriment of new but unproved authors and of books of merit which have a limited audience. In addition, this emphasis has opened the way toward standardizing the selection of new books according to past success.

Illinois — Second Largest Book State

Book publishing shifted from Massachusetts to New York toward the end of the last century when mass production and marketing became essential elements in the industry. Today, the industry is dominated by two major states (New York and Illinois), which account for about 70 percent of the total value of book shipments. New York, still the largest producer, remains the principal trade-book center, whereas Illinois has become the leader in technical and textbook output. Last year, Illinois publishers shipped books valued at about $200 million.

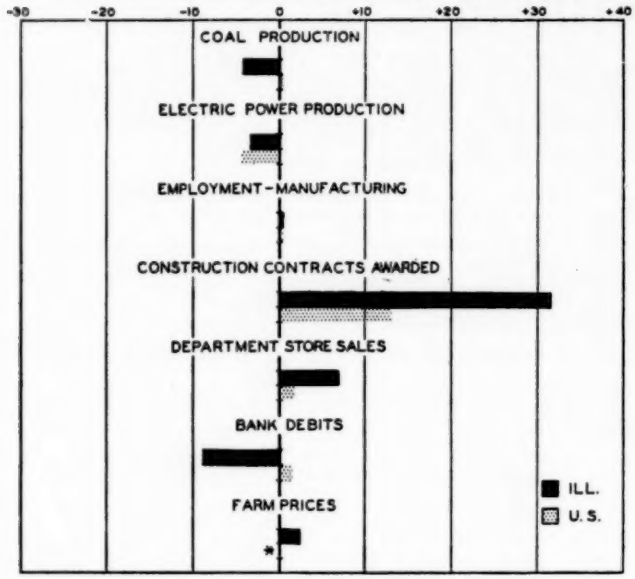
There are about 90 publishers in Illinois, 90 percent of whom are located in the Chicago metropolitan area. Although more than two-thirds of these firms employ fewer than twenty persons, Illinois has the highest average employment per establishment in the nation, 67. Despite this high average, only a few of the state's houses own printing plants.

Illinois publishers, because their chief product has been educational volumes, do not face the economic problems encountered in the trade-book states. Unlike trade-book houses, technical and textbook publishers have been able to pass costs along to consumers. For example, from 1947 to 1954, the average wholesale price of books in New York (a trade-book state) dropped from 91 cents to 83 cents, whereas in Illinois, the average rose from $1.15 to $1.32 per volume. Also of major consequence to the publishers here will be the expected rise in school enrollments, which should bolster the educational book field for many years.

STATISTICAL SUMMARY OF BUSINESS ACTIVITY

SELECTED INDICATORS

Percentage changes March, 1959, to April, 1959



* No change.

ILLINOIS BUSINESS INDEXES

Item	Apr. 1959 (1947-49 =100)	Percentage change from Mar. 1959	Percentage change from Apr. 1958
Electric power[1]	220.6	− 3.4	+ 9.6
Coal production[2]	73.7	− 4.1	+14.7
Employment—manufacturing[3]	101.0[a]	+ 0.4	+ 4.5
Weekly earnings—manufacturing[3]	n.a.	.....	.....
Dept. store sales in Chicago[4]	135.0[b]	+11.6	+ 2.3
Consumer prices in Chicago[5]	127.4	+ 0.2	+ 0.3
Construction contracts awarded[6]	410.4	+31.7	+21.5
Bank debits[7]	202.5	− 8.6	+16.9
Farm prices[8]	84.0	+ 2.4	− 6.7
Life insurance sales (ordinary)[9]	327.4	+ 0.5	+ 7.0
Petroleum production[10]	122.7	− 5.0	− 0.4

[1] Fed. Power Comm.; [2] Ill. Dept. of Mines; [3] Ill. Dept. of Labor; [4] Fed. Res. Bank, 7th Dist.; [5] U. S. Bur. of Labor Statistics; [6] F. W. Dodge Corp.; [7] Fed. Res. Bd.; [8] Ill. Crop Rpts.; [9] Life Ins. Agcy. Manag. Assn.; [10] Ill. Geol. Survey.
[a] Revised series. [b] Seasonally adjusted. n.a. Not available.

UNITED STATES MONTHLY INDEXES

Item	Apr. 1959	Percentage change from Mar. 1959	Percentage change from Apr. 1958
	Annual rate in billion $		
Personal income[1]	372.7[a]	+ 0.9	+ 6.6
Manufacturing[1]			
Sales	362.4[a]	+ 3.8	+21.8
Inventories	50.8[a, b]	+ 1.0	− 1.4
New construction activity[1]			
Private residential	20.6	+12.0	+33.0
Private nonresidential	14.4	+ 3.1	− 4.6
Total public	15.3	+16.9	+17.9
Foreign trade[1]			
Merchandise exports	17.5[c]	+13.8	− 6.2
Merchandise imports	15.6[c]	+16.3	+ 3.8
Excess of exports	1.9[c]	− 4.1	−48.1
Consumer credit outstanding[2]			
Total credit	44.9[b]	+ 1.6	+ 5.3
Instalment credit	34.5[b]	+ 1.5	+ 4.6
Business loans[2]	31.2[b]	+ 0.2	+ 3.5
Cash farm income[3]	26.3[c]	− 2.3	+ 3.9
	Indexes (1947-49 =100)		
Industrial production[2]			
Combined index	149[a]	+ 1.4	+18.3
Durable manufactures	164[a]	+ 2.5	+25.2
Nondurable manufactures	140[a]	+ 0.7	+12.0
Minerals	123[a]	+ 0.8	+12.8
Manufacturing employment[4]			
Production workers	99	+ 1.0	+ 7.2
Factory worker earnings[4]			
Average hours worked	101	+ 0.2	+ 5.2
Average hourly earnings	168	+ 0.4	+ 5.7
Average weekly earnings	170	+ 0.7	+11.2
Construction contracts awarded[5]	381	+13.1	+31.1
Department store sales[2]	140[a]	+ 1.4	+ 7.7
Consumer price index[4]	124	+ 0.2	+ 0.3
Wholesale prices[4]			
All commodities	120	+ 0.3	+ 0.6
Farm products	92	+ 1.8	− 5.4
Foods	107	0.0	− 3.9
Other	128	+ 0.2	+ 2.2
Farm prices[3]			
Received by farmers	90	0.0	− 5.3
Paid by farmers	120	+ 0.8	+ 2.6
Parity ratio	82[d]	0.0	− 5.7

[1] U. S. Dept. of Commerce; [2] Federal Reserve Board; [3] U. S. Dept. of Agriculture; [4] U. S. Bureau of Labor Statistics; [5] F. W. Dodge Corp.
[a] Seasonally adjusted. [b] As of end of month. [c] Data are for March, 1959; comparisons relate to February, 1959, and March, 1958. [d] Based on official indexes, 1910-14 = 100.

UNITED STATES WEEKLY BUSINESS STATISTICS

Item	1959 May 30	1959 May 23	1959 May 16	1959 May 9	1959 May 2	1958 May 31
Production:						
Bituminous coal (daily avg.)...thous. of short tons	1,405	1,402	1,374	1,392	1,373	1,284
Electric power by utilities...mil. of kw-hr.	12,761	12,931	12,684	12,659	12,546	11,155
Motor vehicles (Wards)...number in thous.	143	161	163	163	144	82
Petroleum (daily avg.)...thous. bbl.	7,203	7,216	7,178	7,200	7,113	6,242
Steel...1947-49=100	154	153	153	151	152	91
Freight carloadings...thous. of cars	688	686	694	677	674	530
Department store sales...1947-49=100	122	139	137	158	141	116
Commodity prices, wholesale:						
All commodities...1947-49=100	119.5	119.6	119.7	119.6	119.8	119.3[a]
Other than farm products and foods...1947-49=100	127.8	128.0	128.1	127.9	128.0	125.5[a]
22 commodities...1947-49=100	88.2	88.1	88.1	87.8	87.5	86.3
Finance:						
Business loans...mil. of dol.	31,664	31,674	31,587	31,369	31,230	29,795
Failures, industrial and commercial...number	264	259	311	265	275	278

Source: *Survey of Current Business, Weekly Supplements.*

[a] Monthly index for May, 1958.

RECENT ECONOMIC CHANGES

Machine Tools

Orders for metal-cutting machine tools amounted to $40.5 million in April, according to the latest report by the National Machine Tool Builders' Association. The April figure was slightly above March's $40.3 million and well over the $22.9 million of a year earlier. For the first four months of this year new orders totaled $145.8 million, compared with only $94.5 million for the same period in 1958.

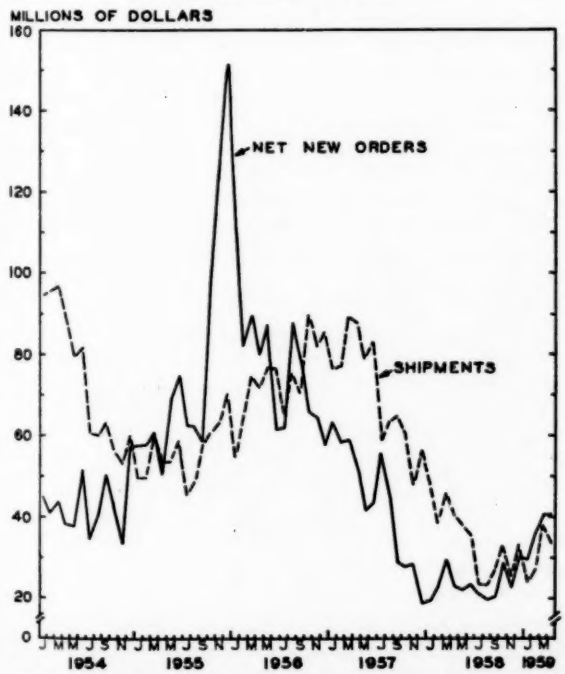
Although machine tool orders have shown a sharp recovery from the poor record of last year, they are still running at only half the rate of 1955 and 1956 (see chart). A two-year peacetime boom produced well over $900 million in new orders in each of those years. The present pace, if maintained throughout the year, would bring orders of metal-cutting tools for 1959 close to the $519.9 million level of 1957. Last year new orders came to only $281.0 million.

Current shipments of machine tools are running behind new orders for the first time since the 1955-56 period. In April, shipments of metal-cutting tools fell to $33.5 million from $37.8 million in March. For the first four months, shipments totaled $121.8 million, compared with $172.3 million in the corresponding 1958 period. The relatively small volume of current shipments reflects the low new order pace of last year.

Personal Income

Personal income climbed $3.2 billion in April to a record seasonally adjusted annual rate of $372.7 billion. The Commerce Department reported that the April increase matched the February-to-March advance. The two latest increases represent the biggest monthly rises since July, 1955, when personal income went up by $3.4 billion. The April rate was $23 billion above the year-earlier pace.

MACHINE TOOLS



Source: National Machine Tool Builders' Assn.

An advance of $2.9 billion in wage and salary payments was the main factor in establishing the new high personal income rate. The adjusted annual rate of wage and salary disbursements amounted to $252.9 billion in April compared with $232.0 billion a year ago. As in March, the April gain was centered in manufacturing industries, particularly metals and machinery, reflecting higher employment and increased hours worked.

Disbursements under both the regular and temporary unemployment compensation programs declined again in April, according to the report. However, other social security payments continued to increase, thus raising total transfer payments $100 million to $26.2 billion. Other types of income showed little or no change.

For the first four months the annual adjusted rate of personal income was $367.6 billion, up $18.9 billion from the corresponding 1958 period.

Consumer Prices

The Labor Department's consumer price index rose 0.2 percent in April to 123.9 percent of the 1947-49 average. This brought the index back up to the record high that was first reached in July and equaled in November last year. The index has been relatively stable in the past ten months with no monthly change, either up or down, of more than 0.2 percent occurring during this period. From April, 1958, to April, 1959, the over-all increase in the index has been only 0.3 percent.

The relative stability of the general index, however, is not reflected in its major components. A decline of 3.3 percent in food prices over the year has been the main factor which has prevented the general price level from reaching new highs. Prices of all other items have risen an average 1.7 percent, with services, which make up about one-third of the total index, leading the way with an increase of 1.9 percent. This service-group index has climbed continuously since early 1951, and in April it stood at 144.8.

Individuals' Savings

Savings by individuals in the United States continued at a high rate in 1958 but fell below the postwar record of the previous year. Net financial savings totaled $16.2 billion last year, compared with $18.1 billion in 1957.

There was a considerable alteration in the composition of savings in 1958. Individuals saved only $600 million in the form of securities, the lowest amount since 1954. In 1957 individuals' savings in securities amounted to $6.9 billion. Most of this change was attributable to liquidation of United States government marketable issues, coupled with smaller acquisitions of corporate bonds and state and local government obligations.

Another important change was the substantial increase in bank deposits and currency. These forms of savings jumped from $5.1 billion in 1957 to $10.3 billion last year, the highest level since 1946. Savings accounts in mutual savings and commercial banks, increasing sharply in the early recession months, then tapering off as general economic conditions improved, showed an over-all advance of $7.8 billion for the year. Demand deposits experienced an opposite movement and at year-end showed a net rise of $2.1 billion. Currency holdings were increased by $400 million.

A record growth in savings shares in savings and loan associations and credit unions added another $6.5 billion to these advances in liquid assets.

RUSSIA'S SEVEN-YEAR CHALLENGE

MARVIN FRANKEL, Research Associate Professor

Nikita Khrushchev recently asserted his belief that attainment of a major Soviet goal was near at hand:

> The superiority of the USSR in the rate of growth of production will create a real basis for overtaking and outstripping the United States within about five years following 1965 . . . by that time or perhaps even earlier, the Soviet Union will have moved to first place in the world both in gross and per capita output. . . . It will be a history-making victory of socialism in the peaceful competition with capitalism.

The occasion for his remarks was the introduction of a new seven-year plan to run from 1959 through 1965. The new plan, the initial phase of a longer fifteen-year program, would, according to the Soviet leader, bring his country within striking distance of, or capture for it, the major economic titles now held in the West.

Soviet aspirations have a counterpart in United States concern over their possible realization. We view the prospect of Soviet parity with alarm because we regard our high output and living standards as testimony to the worth of our way of life. We do not find congenial the thought that radically different and highly distasteful political and economic institutions might, by certain much revered tests, prove as efficacious as our own.

There are, in addition, pragmatic reasons for our concern. We are anxious about the military implications of substantial Soviet economic gains. Will not the allocation of yet more resources to the Soviet armed forces, already a fair challenge to our own, greatly increase our difficulties in providing an effective counterforce? We are apprehensive also of the consequences that large economic advances may have on Soviet foreign trade and aid and relatedly, on the attitudes and allegiances of the world's uncommitted peoples.

Major Goals of the Seven-Year Plan

During the seven-year period of the plan, the projected increase in gross national product is 65 percent, or about 7.3 percent per annum. Industrial output is slated for greater expansion, about 80 percent for the period or approximately 8.6 percent per annum. The plan calls for consumption to advance in line with national product and for agricultural output to move ahead a bit more rapidly, by 70 percent over the seven years.

In terms of the relative emphasis placed on major sectors and categories of goods, the plan seems to be of the same general pattern as its post-1950 predecessors. Measured by intended rates of growth, heavy industry continues to be favored over light and consumer goods industries, and the industrial over the agricultural sector. The priority rating of the consumer appears to be unchanged. Though comparatively large gains are sought in a few areas — some foodstuffs and certain household durables — there is no indication of any basic shift in his favor. It is perhaps symbolic of the consumer's status in official thinking that Khrushchev, in his painfully extended address to the Communist Party Congress on the new plan, should give almost three times as much space to heavy industry as to consumer goods industries.

Compared with the rates of advance specified in earlier plans for such major aggregates as national product and industrial output, those designated in the current one represent a cutback. Thus, for national product the annual rates of growth called for in the 1951-55 and the interrupted 1956-60 plans were, respectively, 10.9 percent and 9.9 percent. The current rates are modest also when compared with official claims about past achievements, and they seem to be entirely consistent with those realized from 1950 to 1957. Using data supplied largely by Western observers, it may be estimated that for this period Soviet national product rose at an average yearly rate of 8.5 percent and industrial output at 10 percent. The increases currently planned in the same categories — 7.3 percent and 8.6 percent — are somewhat below these figures, which suggests that in light of economic experience the goals are plausible ones.

Labor Shortage a Serious Obstacle

Goals that seem plausible in terms of past performance need not, on that account, be plausible in terms of the future. Lack of manpower is the chief difficulty that the Soviets must overcome. Primarily because of war losses, recruitments to the labor force in the coming years will be much below those of previous years. A dramatic aspect of this situation is the disclosure in the recently completed population census that there are in the country 20 million more women than men, with virtually all of the imbalance in the over-32 bracket. In the absence of war, the many millions of children that these women would have borne would be entering the labor force over the next several years. It has been estimated that from 1956 to 1965 the population of prime working ages (males aged 15 to 59 and females aged 15 to 54) will rise by only about 8 million, whereas in the shorter 1950-56 period it grew by close to 14 million.

With labor supplies restricted, heavier reliance than otherwise must be placed on productivity gains in order to achieve output targets. If, for example, the industrial sector shares in additions to the labor force from 1958 to 1965 on the same basis as in recent years, productivity will have to rise about 7.5 percent annually in order to meet the 1965 target. This exceeds significantly the 6 percent annual increase realized from 1950 through 1957 and the increase of similar magnitude provided for in the plan. Moreover, the 7.5 percent figure makes no allowance for a planned shortening of the workweek, to be effected by 1962, from the present 46 hours to 40 hours. Such a shortening, should it come about, would in effect wash out the benefits of growth in manpower and make planned growth in output wholly dependent on productivity gains.

Some relief from the tight labor situation might be had if, through an increase in participation rates, available manpower could be more fully utilized. Although the plan seems to be counting on this possibility, its prospects are not promising. Participation rates already are high, with about 70 percent of the adult population regularly employed. By contrast, in the United States, with its shorter workweek, the figure is about 50 percent.

There is virtually no hope that any shortfall in the industrial sector will be compensated by overfulfillment of plans in agriculture. Although planned expansion in the latter sector is less than in the former, it is greatly in excess of anything realized in the past. The grimness of the record is reflected in frequent failures to meet targets and in the fact that, until the fifties, output hovered at or below 1928 levels. The past several years,

which embrace the new-lands program and various policy reforms that have provided more autonomy for the collective farms and better price and income incentives, have witnessed a notable improvement. But the gains have been far below those now projected. Moreover, little further contribution can be expected from bringing new lands under the plow. Major reliance must now be placed on improving the methods of cultivation and on overcoming the many obstacles to the upgrading and diversifying of output.

As if to make already-difficult tasks still more difficult, the plan projects productivity increases on the collective farms considerably in excess of the expected increase in output. The intent is, apparently, that some workers should be released from the land to ease the shortage in industry. It is worth noting in this connection that during the past seven or eight years the agricultural labor force has tended to expand, not diminish. One may rightly be skeptical of Khrushchev's assertion that "all the prerequisites have been created" in this sector for a successful seven-year push.

Ways of Raising Productivity

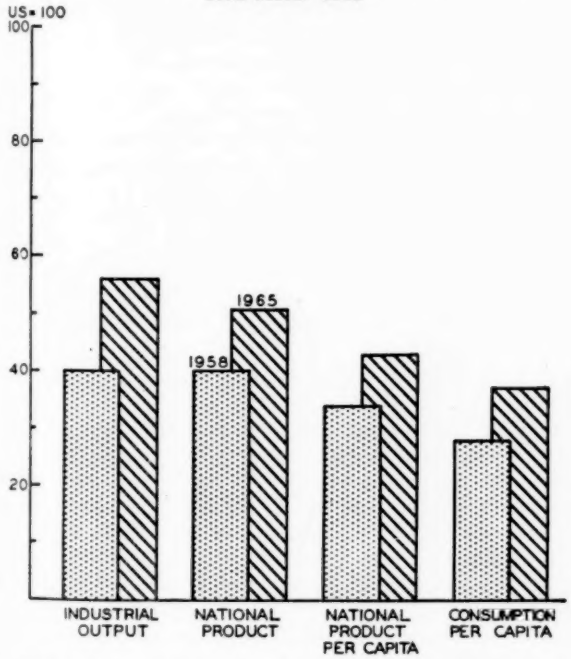
Investment in productive facilities is a principal means by which productivity gains are secured, and a sufficiently high rate would do much to meet current needs. Unfortunately, it is by no means clear what, in the present case, a sufficiently high rate would be. The limited information available, however, suggests no marked increase in the fraction of national product devoted to investment nor, with the possible exception of a somewhat larger share for agriculture, any serious change in its allocation among the major sectors. To reach targets, therefore, either the payoff from investment outlays will have to rise somewhat or other sources of productivity improvement will have to be found.

Industrial organization and management constitutes one area in which current deficiencies are a source of potential future strength. The shortcomings in this sphere are legion, and have inhibited the most economic development and utilization of the resource endowments of the several regions. Over-all, it may be said of the system that it has been geared to the fulfillment of major priorities, but at a cost of much inefficiency and waste.

The program of economic decentralization, under which much of the authority vested in ministries in Moscow has been transferred to many widely dispersed regional economic councils, was launched in response to these failings. The ultimate test of this program lies in the longer term, and it is reasonable to expect transitional difficulties in the early years. Notwithstanding, the opportunities for improvement are numerous and large. It must be expected that many of these will be capitalized on in the interval to 1965, with commensurate benefits for productivity.

These considerations permit no firm judgment on the ability of the Soviets to fulfill their goals. A conservative Western view, one concerned to avoid underestimating the Soviet Union's capabilities, might be that modest deficiencies — and large ones in agriculture — are possible, but that many of the targets will be reached.

SOVIET OUTPUT AND CONSUMPTION AS PERCENTAGES OF US LEVELS, 1958 AND 1965*



*For the US, industrial output and national product are projected at their 1950-57 rates (3.5% in each case). For the SU, industrial output and national product are projected at their planned rates (7.3% and 8.6%). In each case, consumption is projected at the same rate as national product. The per capita figures assume equal rates of population growth in the two countries.

Little Chance of Surpassing the US

Should the Soviets succeed in their efforts, there remains the question of whether, as Khrushchev has asserted, output levels will approximate those in the United States, with the stage set for surpassing this country within the following few years. In 1958, despite its rapid growth of the thirties and the years following World War II, the Soviet Union lagged far behind the United States in every major economic category.

Only rough estimates can be given of the extent of the lag. Hazards and limitations always affect efforts at quantitative comparison of two economies, and the hazards are multiplied where the Soviet Union is involved. But it appears that, as of 1958, both Soviet national product and industrial output were about 40 percent of United States levels. Per capita national product was only about one-third the level in this country, and because of relatively heavy Soviet emphasis on investment and defense, per capita consumption was still lower. The latter might be put at a little over a fourth of that in the United States, and many Western specialists would consider even this figure too high. These comparisons are shown in the accompanying chart by the bars relating to 1958.

Given these initial positions, the state of things in 1965 may be computed for alternative sets of growth rates. The accompanying table indicates the procedure for industrial output. For the Soviet Union, three rates are shown. First is that registered from 1950 to 1957, and second is the planned rate to 1965. The third rate is essentially arbitrary and is presented to illustrate the outcome of a failure to realize targets. Of the two rates given for the United States, the first reflects 1950-57 experience. The rate for national product is not shown, but was the same as that for industrial output. The second United States rate reflects an optimistic view of the future, such as might be held by an advocate of a forthcoming "golden sixties" era for the American economy. The possible outcomes are summarized in the table (page 8).

Soviet Industrial Output as a Percentage of US Industrial Output in 1965, Given Alternative Growth Rates

US growth rates (percent per annum)	Soviet growth rates (percent per annum)		
	10	8.6	6
3.5	61	56	47
5.0	55	50	43

In the writer's view, the 3.5 percent rate for the United States is a reasonable assumption, being in line with recent performance and representing a middle ground between the possibilities of, on the one hand, accelerated future growth and, on the other, further setbacks like the one from which we are now emerging. For the Soviet Union, the difficulties already alluded to suggest that the planned rates are the best that country can hope for. Given these rates, the chart shows how much the Soviets would improve their position relative to the United States.

Since current Soviet levels are so much closer to those of Western Europe than to ours, the Soviet position vis-à-vis that area would be much better. If, however, the West Europeans should succeed in perpetuating their 1950-57 rates of growth, which were somewhat higher than those in the United States, the Soviet gains over the period would be relatively smaller.

Were United States-Soviet rates to be extended a further five years to 1970 — and to do so would be to accord the Soviets a margin of sustained advantage quite inconsistent with their long-term record — parity still would be some distance away. Soviet national product would be about 60 percent and industrial output about 70 percent of United States levels. Neglecting differences between the two countries in population growth, which in any event would little affect the outcome, per capita national product would be but half, and per capita consumption only slightly over two-fifths, of the amounts in this country. By 1970, far from having attained the pre-eminent position Khrushchev has marked for it, the Soviet Union would still rank a middling second in certain of the major economic categories and would fall well down the list in others.

For Khrushchev's hopes to be realized, it would be necessary for the American economy to stagnate over the next dozen years, with growth rates zero or negative, while the Soviet economy steadily advanced at planned rates. Such drastic assumptions may serve the Kremlin's political needs, but they are scarcely defensible economically.

No Security in Economic Dominance

It would be a mistake to seek comfort in these findings, or to believe that high or rapidly growing national product is the key to security or the remedy for cold war problems. The general economic and industrial strength of the United States, despite its critical role in two world wars and its contribution to West Europe's recovery, is in itself no adequate answer to either the economic or military challenges of a nuclear age. It is of course true that over-all capacity to produce fixes an upper limit to the effort an economy can make in any given area or combination of areas and that substantial industrial capacity is a primary ingredient of high living standards as well as a cornerstone of military power. It is true also that a people's per capita income has some bearing on its ability and willingness to sacrifice for a particular cause. But these factors hardly suffice to determine the allocations of a nation's resources among alternative possibilities.

Low over-all capacity has not deterred the Soviets from disproportionately large exertions — and achievements — in industry and the military domain and in the cultivation of high technical and engineering skills. They devote significantly larger fractions of available resources than do we to growth-generating investment and a somewhat larger fraction to their armed forces. In consequence, their rate of economic advance is more rapid and their military potential is of a magnitude that the combined Western powers, more heavily committed than the Soviets to consumption needs, find difficult to counter without strain. Their recent success in launching earth satellites and their evident capabilities in the realms of atomic energy and ballistic missiles have removed any doubt of their ability to work creatively at the scientific and technological frontiers.

The limited relevance of high output and living levels for challenges of the cold war variety, whether in issuing or defending against such challenges, is aptly illustrated by reference to China. Present trends indicate that within a decade or two that country may become a consequential industrial power in Asia and one capable of creditable scientific and technical achievement. Should that happen, her military potential would benefit accordingly and her political and economic influence would be vastly extended. The possibilities are real and their implications, both for China as the challenger and for us as the challenged, are little diminished by the fact that, measured by Western standards, China is likely to remain poor indefinitely.

Similarly, it is not apparent that perpetuation of this country's dominant output position will, by impressing the underdeveloped countries with our institutions and methods, ensure the emergence of democratic political forms in those lands or the winning by us of the allegiance of their peoples. Others are not nearly as sensitive as we to relative US-Soviet positions and rates of advance which, in any event, are subject to varied interpretations and which, by artful propaganda, can be made to look different from what they are. Of greater relevance for the underdeveloped countries are the social, political, and economic problems they face and the tensions under which they live. Moreover, the *volume* of assistance we render these areas, which in some measure is dependent on our over-all output, seems to be less important than other aspects of our aid program. In some parts of the world the Soviets, with far smaller outlays, have reaped greater returns.

In sum, high over-all output in the United States and maintenance of a decisive margin over the Soviet Union will not ensure a scale and quality of action in essential areas — investment, defense, foreign aid, education — that are sufficient to our needs. A low-income nation that attaches high priority to a particular group of objectives may turn in a performance relating to them that is the equal of a high-income nation. With respect to some objectives, a minimum critical effort by the low-income country may bring parity no matter what its more affluent rival does. Seventy-five million tons of steel may do as well as one-hundred fifty million, and a few hundred hydrogen weapons as well as a few thousand.

The simple and by no means novel lesson in all this is that the economic race has many dimensions, and that the highest score need not be tallied by the rival who wins the main event.

BUSINESS BRIEFS

PUBLICATIONS AND DEVELOPMENTS OF BUSINESS INTEREST

Gains in Business Population

The *Survey of Current Business* for May, 1959, reported that the United States business population reached a record number of 4.6 million operating concerns on January 1, 1959, a gain of 55,000 firms from a year earlier. This continues the small net gains that have been characteristic of the past ten years.

The recent rise was attributable to small net increases in all major industry groups with the exception of manufacturing and mining. The number of firms in the service and finance divisions — each with gains of 2.5 percent — showed the largest relative gains in 1958.

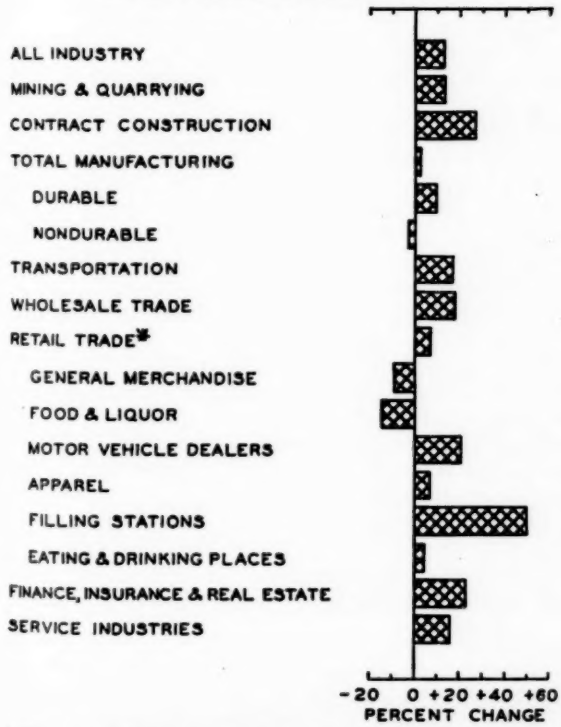
The number of firms in operation in all industries increased approximately 13 percent between the beginning of 1951 and the beginning of 1959. Contract construction and the finance, insurance, and real estate division experienced the greatest increases, advancing about one-fourth. Retail trade gained 7 percent, as large increases in filling stations and automotive groups more than offset the declines among general merchandise and food firms (see chart). Likewise, total manufacturing gained slightly because increases in durable goods manufacturing were greater than the drop in nondurable goods manufacturing firms.

Profile of the Jobless

A recent Department of Labor study on *Who Are the Unemployed?* reported that the big unemployment problems are confined mainly to manufacturing, especially durable goods manufacturing, and the so-called long-term "unemployables," those out of work fifteen weeks or longer. The study indicates that those having the most trouble finding jobs are workers with the lowest skills and the least training. They account for two out of every five workers looking for a job. Unemployment among white-collar workers is relatively low.

A breakdown by industry shows that unemployment was about 12 percent in the construction industry in April, 9 percent in the mining industry, and 7 percent in manufacturing. More than 1 million factory workers were still seeking employment in April, of which two-thirds were in the durable goods industries. The auto industry, which employs the largest group of factory workers, still has about 8 percent of its workers without jobs.

CHANGES IN THE NUMBER OF FIRMS IN OPERATION, 1951 TO 1959



* Total contains groups not shown separately.
Source: *Survey of Current Business,* May, 1959, p. 18.

New Piggyback Service

A small shippers' cooperative on the West Coast is trimming transportation costs for its members by as much as 35 percent to 50 percent through an innovation of piggyback service. Last year Western railroads introduced a transportation service for any shipper who provides his own flatcar and containers and guarantees a return trip. Under this new piggyback plan, a flat rate is charged on the basis of a 60,000-pound load, with the maximum load fixed at 80,000 pounds.

Both the railroads and shippers are benefited by this type of service. The rails are relieved of the burden of finding round-trip traffic, and their earnings per car can be increased as a result of heavier loading by the shipper. Shippers are able to reduce their freight costs because of the low piggyback rate and the by-passing of expensive terminal and transfer charges. Although the shipper must lease or buy his own equipment, these costs still do not cancel out all the savings from the lower piggyback rate.

Owners of Foreign Automobiles

The National Association of Automobile Dealers recently completed a survey of 10,000 American owners of foreign cars who bought their cars in 1956, 1957, or 1958. The results of the survey showed that professional people — doctors, lawyers, teachers, and scientists — are the largest group of owners of foreign cars, with 37 percent of the total. Managers were next, with 23 percent.

Foreign cars were found to be most popular among households with incomes between $5,000 and $7,500; those in this income range accounted for 29 percent of the buyers. Close behind are households with incomes of $10,000 to $20,000; these made up 26 percent of the buyers. Households with annual incomes of $7,500 to $10,000 comprised 22 percent of the buyers.

When asked why they purchased an imported car, 88 percent of the respondents gave "cheaper to operate" as one of their reasons. Other reasons given by more than half of the buyers were "easier handling in traffic," "easier to park," "not as much annual depreciation," and "better workmanship."

An overwhelming vote of confidence in foreign cars is given by present owners. About 60 percent of the owners of imported cars stated they would not have purchased a similar new American-made car if it had been available at the same price. In addition, 86 percent reported that they believed their next new car would be another imported automobile.

LOCAL ILLINOIS DEVELOPMENTS

In April the major indexes of Illinois business showed diverse movements. Construction contracts awarded jumped 32 percent above March. Seasonally adjusted department store sales rose 12 percent. In March personal income increased 4 percent over February. The major decline was in bank debits for selected cities, which dropped 9 percent. Declines of 5 percent and 4 percent, respectively, were experienced in petroleum production and coal production during the month.

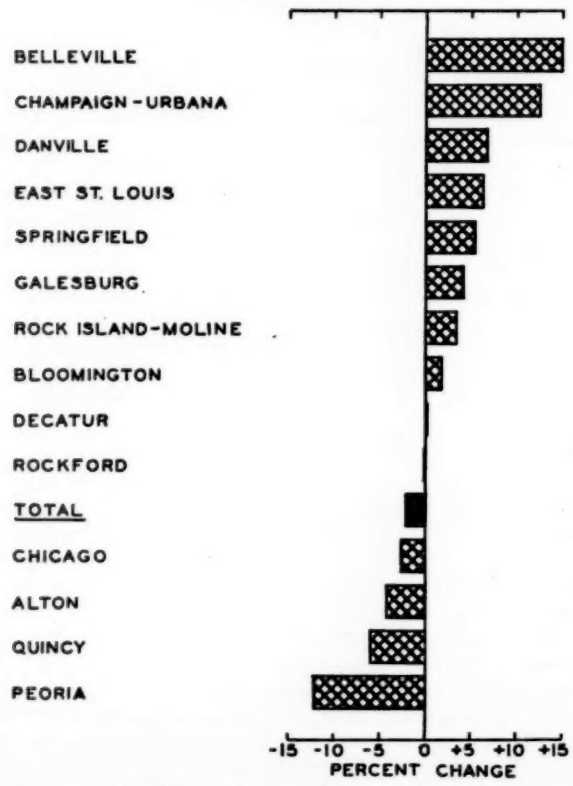
When compared with April, 1958, all of the indexes showed gains, with the exception of farm prices and petroleum production, which declined 7 percent and less than 1 percent respectively. Construction contracts advanced 22 percent, bank debits rose 17 percent, and coal production increased 15 percent from a year ago. Personal income in March was also 15 percent above the 1958 month.

Electric Power Consumption

Increased business activity during the last half of 1958 resulted in a slight rise, 0.3 percent, in the use of electric power in Illinois for the entire year. Approximately 39.0 billion kilowatt-hours were consumed in 1958 as compared with 38.8 billion kilowatt-hours in 1957. Total electric power consumption for sixteen major Illinois cities declined 2.2 percent from the 1957 level. These sixteen cities consumed 13.3 billion kilowatt-hours, or slightly more than one-third of the electric power consumed for the entire State.

Belleville and Champaign-Urbana had the greatest increases in power use, with gains of 15 percent and 13 percent respectively over the 1957 level (see chart).

CHANGES IN ELECTRIC POWER CONSUMPTION, 1957 TO 1958



Sources: Local power companies.

Peoria and Quincy experienced the greatest declines, with cuts of 12 percent and 6 percent respectively.

The St. Lawrence Seaway

The United States Department of Agriculture in its publication entitled *Agricultural Situation* reports some of the effects which the St. Lawrence Seaway will have upon Midwestern farmers. The report indicates that the costs of moving wheat in Liberty vessels via the Great Lakes Seaway route from Duluth, Minnesota, to Rotterdam or Casablanca will be 12 cents a bushel less than the lowest-cost route used prior to the Seaway's opening.

Earlier estimates were that about 42 million bushels of grain from Canada and the United States would move via the Seaway during 1959. Actual shipments, however, may be much larger. It was reported that by March 1 nearly 25 million bushels of grain had been booked for overseas shipment in April, May, and June.

At present most grain tonnage is expected to move in Liberty-type vessels that carry about 317,000 bushels each on the Seaway. As these ships are scrapped, modern, speedier combination lake-ocean bulk carriers that can carry up to 560,000 bushels of grain may replace them. This will further increase transportation economy via the Seaway.

New Rail Bridge

An $11 million railroad bridge across the Mississippi is to be constructed near Quincy by the Chicago, Burlington, and Quincy Railroad. Bids and plans have been approved by the Secretary of the Army through the Corps of Engineers.

The main bridge structure over the river will be supported by twelve piers. The Kansas City Bridge Company has received the contract for the substructures. The Bethlehem Steel Company has been awarded the contract for the superstructure and the LaCrosse Dredging Company for the fill.

The federal government will pay $2.9 million of the total cost of the bridge, which will replace one now in use.

Farm Real Estate Values

In the May issue of the *Farm Real Estate Market*, farm real estate value for the United States, which includes both land and buildings, was estimated at $125.1 billion or about $108 per acre. This represents a new record $8.8 billion, or 8 percent, above the previous high set a year earlier. California had the largest total dollar value of any state — nearly $12 billion. It was followed by Texas with $11 billion and Illinois with $9 billion.

Value per acre continued to be highest in New Jersey, where the average in March was $568 per acre. Among the more predominantly agricultural states, California continues to lead with a farm value of $308 per acre. Illinois rates second at $294 per acre, followed in order by Indiana at $245, Ohio at $242, and Iowa at $239 per acre.

Farm real estate values per acre in Illinois have jumped about 265 percent from 1940, 170 percent from 1950, and 78 percent from 1955. The table below gives the value of farm land in Illinois between 1956 and 1959.

Year (March)	*Value per acre*	*Total land value (millions)*
1956	$241	$7,329
1957	$260	$7,908
1958	$273	$8,304
1959	$294	$8,943

COMPARATIVE ECONOMIC DATA FOR SELECTED ILLINOIS CITIES

April, 1959

		Building Permits[1] (000)	Electric Power Consumption[2] (000 kwh)	Estimated Retail Sales[3] (000)	Department Store Sales[4]	Bank Debits[4] (000,000)	Postal Receipts[5] (000)
ILLINOIS		$38,142[a]	1,202,910[a]	$573,767[a]		$17,703[a]	$16,634[a]
Percentage change from	Mar., 1959	+6.1	−4.2	+11.4	+7	−8.6	+2.7
	Apr., 1958	+38.6	+14.3	+8.1	+5	+16.9	+17.6
NORTHERN ILLINOIS							
Chicago		$25,450	872,562	$425,782		$16,250	$14,463
Percentage change from	Mar., 1959	+17.9	−7.4	+11.0	+6	−9.4	+3.4
	Apr., 1958	+71.4	+10.5	+8.4	+6	+17.4	+17.1
Aurora		$ 718	n.a.	$ 8,999		$ 74	$ 152
Percentage change from	Mar., 1959	+43.9		+18.1	+4	−0.7	−5.4
	Apr., 1958	−11.9		+14.2	+2	+19.4	+13.9
Elgin		$ 468	n.a.	$ 5,930		$ 46	$ 97
Percentage change from	Mar., 1959	+72.7		+7.4	n.a.	−4.2	−19.8
	Apr., 1958	+65.4		+2.7		+12.6	−0.4
Joliet		$1,118	n.a.	$10,421		$ 85	$ 123
Percentage change from	Mar., 1959	−43.0		+12.4	+8	+1.3	+18.3
	Apr., 1958	+49.7		+10.3	+4	+15.1	+45.6
Kankakee		$ 129	n.a.	$ 4,965		n.a.	$ 59
Percentage change from	Mar., 1959	−25.9		+11.2	n.a.		−7.3
	Apr., 1958	−72.4		+4.6			+4.5
Rock Island-Moline		$1,595	26,031	$10,669		$ 111[b]	$ 184
Percentage change from	Mar., 1959	−53.4	−1.6	+7.5	n.a.	+5.6	+7.4
	Apr., 1958	−27.5	+12.5	+8.1		+13.2	+29.2
Rockford		$2,025	48,415[c]	$17,736		$ 188	$ 251
Percentage change from	Mar., 1959	+88.5	−3.8	+14.7	+16	−1.4	+2.3
	Apr., 1958	+51.7	+11.7	+9.2	+6	+14.5	+12.2
CENTRAL ILLINOIS							
Bloomington		$ 500	8,486	$ 5,228		$ 71	$ 113
Percentage change from	Mar., 1959	−42.0	−3.9	+9.5	n.a.	−7.9	−2.7
	Apr., 1958	+214.5	+3.5	+1.7		+12.6	+15.8
Champaign-Urbana		$ 716	13,188	$ 8,007		$ 80	$ 119
Percentage change from	Mar., 1959	+44.6	−0.5	+11.7	n.a.	+4.7	−1.9
	Apr., 1958	−1.9	+9.7	−3.8		+13.8	+20.9
Danville		$ 256	13,777	$ 5,947		$ 51	$ 70
Percentage change from	Mar., 1959	−5.2	+3.3	+15.2	+10	+5.1	−1.5
	Apr., 1958	−70.9	+10.3	+4.1	+3	+12.2	+36.8
Decatur		$ 707	35,520	$11,214		$ 120	$ 136
Percentage change from	Mar., 1959	−6.9	−1.7	+13.5	+1[c]	−0.1	+7.6
	Apr., 1958	+62.2	+8.9	+3.1	+7[c]	+8.8	+27.6
Galesburg		$ 109	10,317	$ 4,665		n.a.	$ 48
Percentage change from	Mar., 1959	−23.8	+6.1	+14.2	n.a.		+6.1
	Apr., 1958	−74.8	+5.8	+8.9			+20.7
Peoria		$ 989	77,477[c]	$17,890		$ 246	$ 289
Percentage change from	Mar., 1959	−48.2	+37.5	+14.5	+2[c]	−0.1	−1.6
	Apr., 1958	+101.4	+68.4	+14.8	+13[c]	+14.4	+28.4
Quincy		$1,786	11,478	$ 5,010		$ 48	$ 81
Percentage change from	Mar., 1959	+408.8	+1.2	+13.9	−1	−0.2	+8.8
	Apr., 1958	+491.4	+24.4	+7.1	−7	+12.3	+29.7
Springfield		$ 911	34,007[c]	$12,957		$ 136	$ 286
Percentage change from	Mar., 1959	−28.2	−4.0	+12.1	−1[c]	+5.2	−10.5
	Apr., 1958	+7.6	+3.7	+1.1	−2[c]	+13.7	+15.0
SOUTHERN ILLINOIS							
East St. Louis		$ 176	15,024	$ 8,938		$ 153	$ 75
Percentage change from	Mar., 1959	+13.5	−2.0	+11.6	n.a.	+1.9	+5.5
	Apr., 1958	−86.7	+23.7	+14.0		+2.8	+38.8
Alton		$ 252	26,814	$ 4,872		$ 44	$ 41
Percentage change from	Mar., 1959	−33.5	−4.2	+7.9	n.a.	−7.8	−0.7
	Apr., 1958	−67.2	+123.3	+13.6		+13.8	+21.7
Belleville		$ 237	9,814	$ 4,535		n.a.	$ 47
Percentage change from	Mar., 1959	−36.6	+0.5	+8.8	n.a.		−6.8
	Apr., 1958	−47.0	+7.5	+5.5			+15.7

[a] Total for cities listed. [b] Includes East Moline. [c] Includes immediately surrounding territory. n.a. Not available.

Sources: [1] U. S. Bureau of Labor Statistics. Data include federal construction projects. [2] Local power companies. [3] Illinois Department of Revenue. Data are for March, 1959. Comparisons relate to February, 1959, and March, 1958. [4] Research Departments of Federal Reserve Banks in Seventh (Chicago) and Eighth (St. Louis) Districts. Department store sales percentages rounded by original sources. [5] Local post office reports. Four-week accounting periods ending April 3, 1959, and April 4, 1958.

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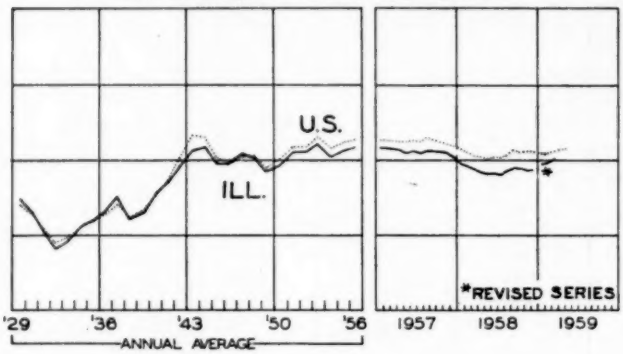
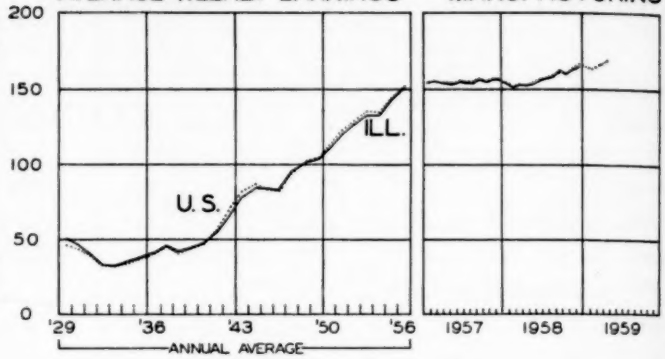
INDEXES OF BUSINESS ACTIVITY

1947-1949 = 100

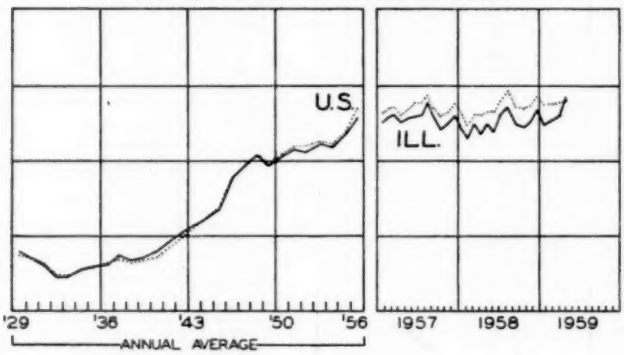
EMPLOYMENT MANUFACTURING



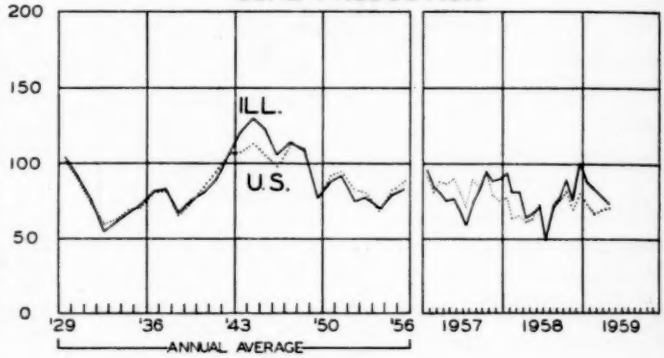
AVERAGE WEEKLY EARNINGS — MANUFACTURING



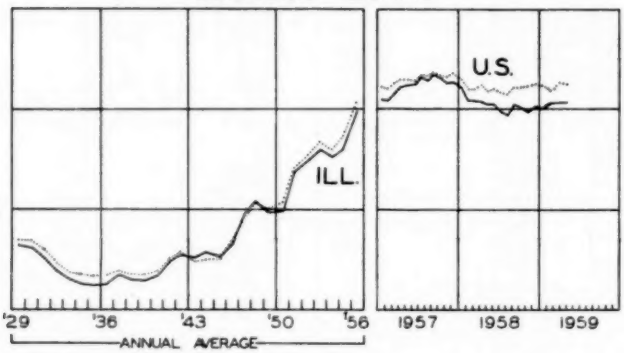
DEPARTMENT STORE SALES



COAL PRODUCTION



BUSINESS LOANS



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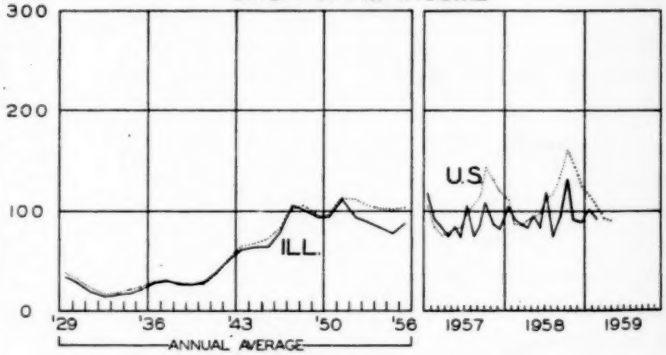
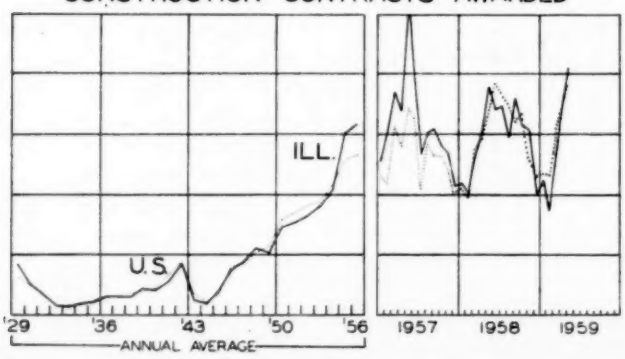
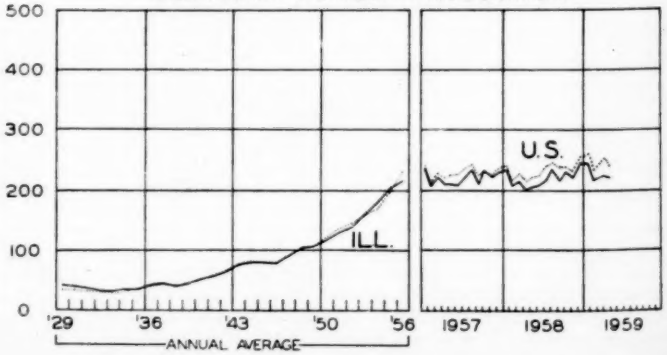


CONSTRUCTION CONTRACTS AWARDED



ELECTRIC POWER PRODUCTION